

## Message Text

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51

ORIGIN EB-11

INFO OCT-01 ADP-00 EUR-25 EA-11 SS-15 INR-10 L-03 RSC-01

/077 R

DRAFTED BY EB/ISM:WPOLIK:RDM

8/1/73 EXT. 21705

APPROVED BY EB:WARMSTRONG

EB/ISM:DFMEYERS

EB/ICD:JBKYLE

EB/ORF:JLKATZ

----- 027581

R 071829Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY BRUSSELS

INFO AMEMBASSY TOKYO

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMCONSUL DUSSELDORF

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STADIS////////////////////////////////////

E.O. 11652: N/A

TAGS: EIND, ETRD

SUBJECT: STEEL VRA -- WIRE ROD EXPORTS

REF: A. STATE 144890

B. BRUSSELS 4257

C. TOKYO 9680

1. REPRESENTATIVES OF US INDEPENDENT WIRE DRAWERS (IWD)

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MET JULY 30 WITH ASSISTANT SECRETARY ARMSTRONG ON WIRE ROD

PROBLEMS. FOLLOWING MEETING WITH ARMSTRONG, IWD REPS MET WITH MEMBERS OF CONGRESS.

2. IWD REPS REVIEWED WITH ARMSTRONG WHAT THEY TERMED "CRITICAL SITUATION" FACING THEIR INDUSTRY DUE ITS INABILITY OBTAIN NEEDED WIRE ROD FROM US STEEL MILLS AND FROM FOREIGN SOURCES. THEY STATED THAT CURRENT STEEL BOOM HAS EXACERBATED IWD PROBLEM, AS US STEEL MILLS CONCENTRATED ON PRODUCTION OF HIGHER PRICED AND HIGHER PROFIT FINISHED PRODUCTS IN PLACE OF LOWER PRICED RAW MATERIAL PRODUCTS SUCH AS WIRE ROD.

3. IWD REPS FELT STEEL VRA HAS CONTRIBUTED TO THEIR PROBLEM IN AT LEAST TWO WAYS: THEY CLAIMED THAT SINCE START OF VRA, PROTECTED US STEEL INDUSTRY HAS NOT (WITH EXCEPTION OF US STEEL CORP.) INSTALLED ANY ADDITIONAL WIRE ROD PRODUCTIVE CAPACITY. FOREIGN STEEL PRODUCERS, ON OTHER HAND,

REALIZE THERE IS GOOD US MARKET FOR WIRE ROD, BUT ARE RELUCTANT EXPAND THEIR WIRE ROD CAPACITY FOR US MARKET DUE VRA LIMITATIONS IN CASE VRA COUNTRIES, AND UNCERTAINTIES OVER POSSIBILITIES OF VRA-TYPE LIMITATIONS IN CASE NON-VRA COUNTRIES.

4. ARMSTRONG REVIEWED JAN-JUNE 1973 WIRE ROD IMPORT DATA (TRANSMITTED POSTS IN REF A), WHICH HE FELT INDICATED VRA WAS NOT RPT NOT A LIMITING FACTOR INSOFAR WIRE ROD CONCERNED. HE NOTED HERE THAT EUROPEANS IN PARTICULAR WERE SUBSTANTIALLY OVER THEIR THEORETICAL VRA PRODUCT MIX LIMITATION ON WIRE ROD. ARMSTRONG ALSO INFORMED IWD REPS THAT IN EFFORT RELIEVE US WIRE ROD SUPPLY SITUATION, DEPARTMENT HAD REQUESTED EMBASSIES BRUSSELS AND TOKYO TO RAISE WITH VRA PARTICIPANTS POSSIBILITIES OF THEIR INCREASING THEIR CARBON WIRE ROD EXPORTS, AND GAVE THEM GIST OF POST REPLIES (REFTELS B AND C).

5. AT CONCLUSION OF MEETING, IWD REPS ASKED ARMSTRONG WHETHER DEPARTMENT WOULD SUPPORT VISIT TO BRUSSELS BY SMALL IWD DELEGATION TO DISCUSS WIRE ROD WITH VAN DER REST. ARMSTRONG REPLIED IN AFFIRMATIVE, AND SAID DEPARTMENT LIMITED OFFICIAL USE

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WOULD REQUEST EMBASSY BRUSSELS' VIEWS ON FEASIBILITY OF SUCH A MEETING.

6. FOLLOWING RECEIPT OF BRUSSELS 4458, DEPTOFF CONVEYED INFO CONTAINED THEREIN TO PRESIDENT FAUST OF INDEPENDENT WIRE PRODUCERS ASSOCIATION ON AUGUST 6, AND ASKED WHETHER THIS NEWS WOULD AFFECT IWD THINKING ON SENDING

DELEGATION TO BRUSSELS. FAUST REPLIED THAT IWD LEADERSHIP  
PLAN MEETING IN NEAR FUTURE, AT WHICH TIME QUESTION OF  
DISPATCHING DELEGATION WILL BE DISCUSSED IN LIGHT OF INFO  
CONTAINED BRUSSELS 4458.

7. ACTION REQUESTED: DEPARTMENT WOULD APPRECIATE EMBASSY  
BRUSSELS' VIEWS ON FEASIBILITY OF IWD DELEGATION MEETING  
WITH VAN DER REST TO EXPLORE POSSIBILITIES OF OBTAINING  
ADDITIONAL EC CARBON STEEL WIRE ROD. DURING JULY 30

MEETING WITH ARMSTRONG, IWD REPS TALKED ABOUT POSSIBLY  
SENDING DELEGATION TO BRUSSELS LATTER PART OF AUGUST IF  
THIS TIMING CONVENIENT FOR VAN DER REST, BUT THERE MAY  
NOW BE SOME SLIPPAGE HERE. ROGERS

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 AUG 1973  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
**Disposition Authority:** hilburpw  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Secure:** OPEN  
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**To:** BRUSSELS  
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